

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**BILL DRAFT 2007-TDx-14 [v.4] (03/26)**

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)**  
**4/29/2008 6:20:47 PM**

Short Title: Amend WOTC.

(Public)

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Sponsors: .

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Referred to:

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1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE WORK OPPORTUNITY TAX CREDIT.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-19.16G reads as rewritten:

5 **"§ 105-129.16G. Work Opportunity Tax Credit.**

6 (a) Credit. – A taxpayer who is allowed a federal tax credit under Part IV,  
7 Subpart F of the Code for the taxable year is allowed a credit against the tax imposed by  
8 this Part. The credit is equal to six percent (6%) of the amount of credit allowed under  
9 the Code for wages paid during the taxable year for positions located in this State. A  
10 position is located in this State if more than fifty percent (50%) of the employee's duties  
11 are performed in the State.

12 (b) Sunset. – This section expires for taxable years beginning on or after January  
13 1, 2012."

14 **SECTION 2.** G.S. 105-130.5(b)(11) reads as rewritten:

15 "(b) The following deductions from federal taxable income shall be made in  
16 determining State net income:

17 ...

18 (11) If a deduction for an ordinary and necessary business expense was  
19 required to be reduced or was not allowed under the Code because the  
20 corporation claimed a federal tax credit against its federal income tax  
21 liability for the income year in lieu of a deduction, the amount by  
22 which the deduction was reduced and the amount of the deduction that  
23 was disallowed. This deduction is allowed only to the extent that a  
24 similar credit is not allowed by this Chapter for the amount."

25 **SECTION 3.** G.S. 105-134.6(d)(2) reads as rewritten:

26 "(d) Other Adjustments. – The following adjustments to taxable income shall be  
27 made in calculating North Carolina taxable income:

1       ...

2           (2)   The taxpayer may deduct the amount by which the taxpayer's  
3               deductions allowed under the Code were reduced, and the amount of  
4               the taxpayer's deductions that were not allowed, because the taxpayer  
5               elected a federal tax credit in lieu of a deduction. This deduction is  
6               allowed only to the extent that a similar credit is not allowed by this  
7               Chapter for the amount."

8           **SECTION 4.**   Section 1 of this act is effective for taxable years beginning  
9           on or after July 1, 2008. The remainder of this act is effective when it becomes law.  
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